

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) --- Paid Up With 640 Acres Pooling Provision STANDARD LEASE W/ OPTION

# PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 2 day of July, 2008, by and between CA New Plan Fixed Rate Partnership, L.P., a Delaware limited partnership F.K.A.Centeramerica Capital Partnership, L.P., a Delaware limited partnership whose address is 3901 Bellaire Blvd., Houston, Texas 77025, as Lessor, and DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dailas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

<u>4.309</u> ACRES OF LAND, MORE OR LESS, BEING <u>BLK 9 LOT A1</u>, OUT OF THE <u>NORTH HILLS ADDITION</u>, AN ADDITION TO THE CITY OF <u>HALTOM CITY</u>, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS IN THAT CERTAIN PLAT RECORDED IN VOLUME 388-6, PAGE 16 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.

in the county of TARRANT, State of TEXAS, containing 4.309 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of THREE (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be <a href="https://example.com/repeace/separated-english-separated-english the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be <u>TWENTY FIVE</u> PERCENT (25)% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells are reductive there from is not being sold by Lessee, such well or wells are reductive there from is not being sold by Lessee. but such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production there from is not being sold by Lessee, such payment to be made to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production there from is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor's credit in at Lessor's address above or its successors, which shall be deserted and an address above or the payments or tenders may be made in currency or by

which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive

to accept payments.

5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production there from, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the righ

proper to do so in drager to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under permal production conditions using standard lease separator facilities or equivalent testing on the loregoing, the terms on well and gas well shall have the meanings prescribed, "oil well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying

The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's

ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has set in this field the original of certified or duly attributed copies of the documents estatisfing sold ratingly of ownership to the statistical or cesser with the description of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessor how or other lands and ther improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling, reworking,

T1. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, fules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.

control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other 16 operations.

17. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of  $\underline{TWO}$  (2) years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this lease.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners,

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)

LESSU	ARC:

T ECCAD

CA NEW PLAN FIXED RATE PARTNERSHIP, L.P.

By: CA New Plan fixed Rate SPE, L.L.C., a Delaware

MI e Axelrad, Senior Vice-President LESSEE:

DALE PROPERTY SERVICES, L.L.C.

ACKNOWLEDGMENT

CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS COUNTY OF TARRANT

This instrument was acknowledged before me on the day of Land of Land

2008. by

Notary Public, State of Texas Notary's name (printed):

Notary's commission ex

GABE ANDERSON IV Notary Public, State of Texas My Commission Expires September 18, 2011

**ACKNOWLEDGMENT** 

CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS

**COUNTY OF TARRANT** 

This instrument was acknowledged before me on the Date Property Secures UKa <u>TEXAS</u>

JULY day of

Public, State of Texas

LLC

Notary Public, State of Texas Notary's name (printed): Notary's commission expires:

CURTIS W. ROBERTS Notary Public, State of Texas My Commission Expires April 12, 2010

### **ADDENDUM**

Attached to and made a part of that certain Paid-Up Oil and Gas Lease (No Surface Use) dated the \_\_ day of \_\_\_\_\_ 2008, by and between CA NEW PLAN FIXED RATE PARTNERSHIP, L.P. (formerly known as Center AMERICA Capital Partnership, L.P.), as Lessor, and DALE PROPERTY SERVICES, L.L.C., as Lessee.

- 15. No Warranty of Title: This Lease is given subject to all mineral reservations of record. Lessor warrants that Lessor is the owner of the Land, but does not warrant title to minerals. Lessee is relying upon its own title search.
- 16. Royalty: Lessor's royalty interest will never be charged with any part of Lessee's direct cost of producing, storing, separating, dehydrating, compressing, transporting (excluding common carrier tariffs if the sales price is a market value price at a delivery point significantly removed from the wellhead.) It is agreed between the Lessor and Lessee, that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.
- 17. <u>Limited to Hydrocarbons:</u> This lease covers only Oil, Gas and other hydrocarbon substances, including sulfur produced in conjunction therewith, in and under the above described property, and that accordingly all other associated substances and minerals are excepted from the terms and provisions of this lease and reserved to Lessor.
- 18. <u>Vertical Severance:</u> After the expiration of the primary term of this lease, or after cessation of continuous development as provided herein, whichever occurs last, this lease shall terminate as to all depths lying below 100 feet below the stratigraphic equivalent of the deepest depth for which production casing has been set by Lessee on the above described premises or upon land with which these lands may be pooled for production.
- Royalty Due: Accounting and payment to Lessor of royalties from the production of oil and gas herein provided shall commence no later than One Hundred Twenty (120) days after the date of first production as pursuant to Section 91.402; Subchapter J. "Payment for Proceeds of Sale" of Texas Natural Resource Code, Oil and Gas. First production for a gas well shall be defined as the date of first sale of gas and for an oil well the date oil is first produced, other than for testing purposes. Thereafter unless otherwise specifically provided herein, all accountings and payments of royalties shall be made on or before the last day of the second calendar month following the calendar month in which the production occurred. Unless otherwise herein expressly provided, any royalties or other payments provided for in this lease which are suspended or not paid to Lessor within the time period specified therefore shall accrue interest at the rate of twelve percent (12%) per annum, from the due date until paid. Acceptance by Lessor, its successors, agents or assigns of royalties which are past due shall not act as a waiver or estoppel of its right to receive or recover any and all interest due thereon under the provisions hereof, unless the written acceptance or acknowledgment by Lessor to Lessee expressly so provides. Any tender or payment to Lessor of a sum less than the total amount due to Lessor hereunder which is made or intended to be made as an offer of settlement or accord by or on behalf of Lessee, its agents, successors or assigns, must be accompanied by a Notice.
- Amendment and Division Orders: The provisions contained herein regarding acreage covered by this lease which shall be held by drilling operations on or production from any pooled unit or units shall not be altered or amended by any pooling unitization or like agreement or instrument, or any amendment thereto or ratification or acknowledgment thereof, unless the same shall be specifically designated as an amendment of such paragraph for such purpose. It is further agreed that neither this lease nor any terms or provisions hereof shall be altered, amended, extended or ratified by any division order or transfer order executed by Lessor, his successors, agents, or assigns. If Lessee shall require the execution of a division Order for payment of royalty payable under this lease, then the only form of Division Order permitted for Lessee's use shall be such form promulgated by the State of Texas and set forth in Section 91.402(d), of the Texas Natural Resource Code as amended from time to time. Transfer Orders, if required, shall be solely for the purpose of confirming the interest transferred by Lessor. In the event of production, all division orders prepared by Lessee and its assigns shall eliminate all references to ratification of Lessee's acts, ratification of the unit and ratification of gas or oil purchase contracts. If such statements are contained therein, such ratifications are void and of no effect. Any amendment, alteration, extension or ratification is sought to be enforced, and executed by the party against whom any such amendment, alteration, extension or ratification is sought to be enforced, and any purported amendment, alteration, or ratification not so drafted shall be of no force or effect.
- 21. <u>Hold Harmless:</u> Lessee shall indemnify and hold Lessor harmless from and against any and all claims, actions, liability, loss, damage or expense of every kind and nature, including, but not limited to reasonable attorney's fees and costs, for damage to property including environmental damage to surface properties and underground water of any person, firm or corporation or for injury to or death of any person, including, but not limited to, the employees of Lessee, its successors, assigns, contractors or subcontractors, which may, in whole or in part, be caused by or arise out of operations conducted hereunder or the enjoyment of this lease or the exercise of any right granted hereunder or any obligation imposed hereby.
- 22. Release: It is understood and agreed, notwithstanding anything to the contrary contained herein, that within Forty-five (45) days after this lease has expired or any portion thereof has terminated, Lessee or any assignee thereof shall furnish Lessor, or Lessor's heirs or assigns, with a recordable release of this lease or such portions which have been terminated under the terms of this lease agreement. If Lessor makes written demand of Lessee to furnish a release or partial release and Lessee fails or refuses to do so within 30 days after receipt of the written demand, then Lessee shall reimburse Lessor for all expenses incurred by Lessor, to obtain said release
- 23. <u>Unitization.</u> Not withstanding any provision contained herein to the contrary, it is agreed that should Lessee exercise the option to pool or combine the land covered herein into a pooled unit with other land or leases as herein provided, providing that pooling of the leased premises on the basis of strata is permissible, then such unit will include the entire leased premises covered and not a portion thereof.
- 24. <u>Addendum Provisions Govern:</u> The foregoing Addendum and the provisions of the Addendum shall supersede and govern the provisions of the lease, wherever those provisions are in conflict with the Addendum. This lease, including the Addendum, shall inure to the benefit of, and be binding upon the parties hereto and other respective heirs, representatives, successors and assigns.
- 25. <u>Shut-In Royalty Clause Limitation:</u> Notwithstanding any provision contained herein to the contrary, after the end of the Primary Term, this lease may not be maintained in force solely by reason of the shut-in royalty payments, as provided heretofore, for any one shut-in period of more than two (2) consecutive years.

26. All notices required to be given under the terms of this lease shall be given to the following persons who are designated Lessor's and Lessee's respective agents:

#### LESSOR:

CA NEW PLAN FIXED RATE PARTNERSHIP, L.P. 3901 Bellaire Blvd Houston, TX 77025 Attn: Mr. Michael Axelrad

With a copy to:

CA NEW PLAN FIXED RATE PARTNERSHIP, L.P. 1120 Avenue of the Americas New York, NY 10036 Attn: Mr. Lee Reeves

With a copy to:

David M. Robins Thompson Knight LLP 333 Clay Street, Suite 3300 Houston, Texas 77002

#### LESSEE:

DALE PROPERTY SERVICES, L.L.C. 2100 Ross Avenue, Suite 1870 Dallas, TX 75201

- 27. Upon written request and notification by Lessor at its sole cost and expense, Lessee agrees and obligates itself to deliver to Lessor at Lessor's address designated above, a copy of any and all specifically requested forms pertaining to the permitting, testing, completing and plugging of a well or wells filed with the Railroad Commission of Texas or other body having jurisdiction, a copy of all logs made on each well, and a copy of all contracts for the sale of oil or gas produced from the leased premises. Lessee shall contact Lessor at the same address with respect to all consents required hereunder.
- 28. HECI V. NEEL NOTICE. Lessee agrees to give notice to Lessor of the need, if any, to bring a claim or lawsuit against a third party who is draining, damaging, overproducing, unlawfully depleting, or otherwise damaging any reservoir underlying the Lease Premises, in a timely fashion so that Lessor may assert Lessor's own claim or lawsuit in a court of appropriate jurisdiction, or before a regulatory agency. Lessee shall give such notice to Lessor within ninety (90) days of the date that Lessee becomes aware of the need to assert such claim or lawsuit. Lessee acknowledges that Lessee is in a superior position to Lessor with respect to information regarding the geology, operations, production and sale of oil and gas and constituent hydrocarbons from the Lease Premises and lands adjacent, contiguous or in the vicinity of the Lease Premises and particularly with respect to reservoirs not on the Lease Premises which may be productive of oil, gas or other hydrocarbons and which underlay the Lease Premises. Therefore, with or without the notice required of Lessee above, in the event Lessee appears at, contests, prosecutes or otherwise takes regulatory action with any governmental agency with jurisdiction, then Lessee acknowledges that it has an affirmative duty to represent the Lessor's royalty interests with respect to any such action. Furthermore, with or without the notice required of Lessee above, in the event Lessee shall file a lawsuit and recover damages by virtue thereof or otherwise receives a sum of money from any third party on account of drainage, damaging, overproducing, unlawfully depleting or otherwise damaging any reservoir underlying the Lease Premises, by compromise settlement agreement, alternative dispute resolution or otherwise, then the Lessee will always be deemed to be also representing the royalty share of the Lessor and any recovery by or payment to the Lessee representing damage to the reservoir or any oil and gas well or any productive oil and gas sand or zone underlying the Lease Premise
- 29. Notwithstanding anything in the Lease to the contrary, if at any time there is a lender or its designee or trustee holding a first lien security interest on the leased premises (a "Lender") and such Lender succeeds to Lessor's interest in said land or if a sale by power of sale or foreclosure occurs, Lessee shall attorn to Lender, its designee or a purchaser at such sale as Lessor under the Lease, and the Lease shall continue in full force and effect as a direct lease between Lender (or such designee or purchaser) and Lessee upon all of the terms, covenants and conditions set forth in the Lease; provided, however, that Lender (or such designee or purchaser) shall not be (i) liable for any accrued obligation of Lessor, or for any act or omission of Lessor, whether prior to or after such foreclosure or sale, or (ii) subject to any offsets or counterclaims which shall have accrued to Lessee against Lessor prior to the date upon which Lender shall become the owner of said land.
- 30. Notwithstanding any other section of this lease expressed or implied to the contrary, Lessor retains, and Lessee waives, any and all rights whatsoever of access to or upon the surface of the leased premises for the conduct of exploration, development, production or transportation of the oil or gas from the leased premises or lands pooled therewith or the conduct of other operations with respect thereto; however, that: (i) this waiver of surface rights shall not be construed as the waiver of the right of Lessee to exploit, explore for, develop or produce such oil or gas with wells drilled on adjacent lands pooled with the leased premises, including, but not limited to, directional or horizontal wells bottomed beneath or drilled through any part of the leased premises (other than the surface); provided that the bore hole of any well shall be no less than one hundred feet (100) feet below the surface of the leased premises; and (ii) Lessee shall after delivery of written notice sent to Lessor, have access to set and place seismic "listening" devices on the leased premises from time to time for a period of not more than ten (10) days, and shall have access to retrieve such devices, and using those devices, Lessee shall have the right to conduct seismic surveys on the leased premises. Such seismic listening devices shall be placed on the leased premises only in such numbers and at such locations as may be reasonably approved in writing by Lessor, and shall not interfere with the use or operation of the leased premises by Lessor and/or Lessor's tenants of the surface of the leased premises.
- 31. Whenever used in this Lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil or gas in paying quantities.
- 32. Notwithstanding any provision expressed or implied herein to the contrary, this lease shall not be effective, nor shall this lease nor any notice or memorandum hereof be recorded in the real property records of the county in which the leased premises is located, until the bonus consideration for the Lessors execution hereof has been received by Lessor.

Signature Page attached to and made a part of Exhibit "A" to that certain Paid-Up Oil and Gas Lease (No Surface Use) dated the 100 day of 2008, by and between CA NEW PLAN FIXED RATE PARTNERSHIP, L.P. (formerly known as Center AMERICA Capital Partnership, L.P.), as Lessor, and DALE PROPERTY SERVICES, L.L.C., as Lessee. LESSOR: LESSEE: CA NEW PLAN FIXED RATE PARTNERSHIP, L.P. DALE PROPERTY SERVICES, L.L.C. By: CA New Plan Fixed Rate SPE, L.L.C., a By: Mile fal Delaware Limited Liability Company as General Partner Mike Axelrad, Senior Vice-President **STATE OF TEXAS COUNTY OF DALLAS** This instrument was acknowledged before me this day of day of 2008 by Mike Axelrad, Senior Vice-President of CA New Plan Fixed Rate SPE, LLC, as General Partner of CA New Plan Fixed rate Partnership, L.P. on behalf of said limited partnership., GABE ANDERSON IV Notary Public, State of Texas My Commission Expires (seal) September 18, 2011 Notary Public, State of Texas **STATE OF TEXAS** Ş **COUNTY OF TARRANT §** This instrument was acknowledged before me this 14th day of July , 2008 by MIKE ALIAFERD the of DALE PROPERTY SERVICES, L.L.C. a limited liability company, on behalf of said limited liability company. CURTIS W. ROBERTS Notary Public, State of Texas My Commission Expires (seal) April 12, 2010 Notary Public, State of Texas RECORDING INFORMATION **STATE OF TEXAS COUNTY OF TARRANT** This instrument was filed for record on the day of records of this office. \_M., and duly recorded in Book Page of the o'clock

Clerk (or Deputy)



DALE RESOURCES 3000 ALTA MESA BLVD, STE 300

FT WORTH

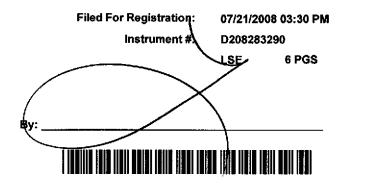
TX 76133

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>

\$32.00



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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